

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 849 – SB 1178

April 2, 2013

**SUMMARY OF ORIGINAL BILL:** Authorizes a county clerk to deny an application for a motor vehicle registration renewal, if the applicant owes any fee to the office of the county clerk, until a full payment is made on such fee amounts owed. Authorizes the clerk to charge an additional fee equal to ten percent of the fee amount owed.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – Exceeds \$1,000

Increase Local Revenue – Exceeds \$100,000

**SUMMARY OF AMENDMENT (006177):** Deletes all language after the enacting clause. Authorizes a county clerk to deny an application for a motor vehicle renewal certificate or registration plate, if the applicant owes any motor vehicle registration fee to the office of the county clerk, until a full payment is made on such fee amounts owed. Authorizes the clerk to charge an additional fee equal to ten percent of the fee amount owed, of which eighty percent may be retained by the county and the remaining twenty percent forwarded to the Department of Revenue.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Revenue – Exceeds \$96,000

Assumptions for the bill as amended:

- The fiscal impact of this bill is dependent upon multiple unknown factors such as the number of applicants owing any motor vehicle registration fees to the office of the county clerk, the amount of outstanding debt to the office of the county clerk, the percentage of applicants who owe a motor vehicle registration fee that will pay the fee as a result of this bill as amended, and the percentage of applicants who owe a motor vehicle registration fee against whom the clerk would assess the additional ten percent charge.

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- Given the extent of unknown factors mentioned above, determining a precise fiscal estimate for this bill as amended is difficult. However, based on information provided by the Department of Revenue, any decrease in state revenue as a result of denied registration renewal applications will be offset by an increase in state revenue from the additional two percent fee. The net fiscal impact on state revenue is estimated to be not significant. The recurring increase in local revenue as a result of collecting the fees owed and the ten percent additional charge is reasonably estimated to exceed \$96,000.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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